

NEIL ABERCROMBIE
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

13:FIN/1111

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

April 30, 2013

To Interested Parties:

Subject: 2013/2014 Qualified Allocation Plan
Clarification of Policy – Acquisition/Rehab Projects

The purpose of this letter is to clarify the policy of acquisition/rehab projects as stated on page 4 of the Qualified Allocation Plan (QAP).

The policy states:

9% (volume cap) Low Income Housing Tax Credits (LIHTC) to be used for the following:

1. New construction
2. Rehabilitation of existing inventory (no acquisition)

The "no acquisition" portion of item #2 is defined and clarified as follows:

No acquisition costs shall be paid for by LIHTC equity funds. A submitted application is required to clearly evidence that all acquisition costs are covered by financing sources other than LIHTC equity funds. Additionally, should a project receive an award of LIHTC, the cost certification submitted at Form 8609 application shall include a confirmation that no acquisition costs were paid for by LIHTC equity funds. If this confirmation is not made, HHFDC reserves the right to withhold issuance of Form 8609.

Please contact Patrick Inouye at (808) 587-0797, Jocelyn Iwamasa at (808) 587-0576, or Brian Davidson at (808) 587-0583 with any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karen Seddon".

Karen Seddon
Executive Director